



Printed on union-made paper



MONTANA

406-442-17

Fax

BUSINESS, LABOR & ECONOMIC AFFAIRS
EXHIBIT No. 5
DATE 1-26-07
BILL No. SB 250

January 26, 2007

**Testimony of Jim McGarvey, Executive Secretary, Montana State AFL-CIO
In Opposition to SB 250
Senate Business, Labor and Economic Affairs Committee**

Madame Chair, Members of the Committee; my name is Jim McGarvey, and I am the Executive Secretary of the Montana State AFL-CIO. My testimony today is on behalf of more than 40,000 Montana union members and their families.

We oppose this deceptive bill. The Right to Work bill doesn't provide any employee in Montana with any new "rights". It offers no guarantees of a job. What it does do is try to hobble employees who want, and are working hard for a higher standard of living by weakening their labor unions. This bill also threatens to weaken Montana's economy by limiting the ability of Montana's working families to achieve a middle-class income or even rise above the poverty level.

Any effort to weaken Montana's labor movement is an effort to weaken Montana's economy and the rights of union members. Labor unions have a lot of successes to boast.

Union workers make more money. Workers who are represented by unions make significantly more money on average than non-union workers. In addition, union women are far more likely to receive equal pay for the same work as men than non-union women. Because of the higher pay, union members are more likely to hold only one job, giving them more time to raise their families and have a greater quality of life.

While the Montana union labor movement has the greatest ability to improve the wages of its own members through collective bargaining, we believe all workers deserve fair wages. Some of our efforts that raise the standard for our members that reverberate beyond our membership include creating the concept of prevailing wages and being the driving force behind maintaining the level of those wages. Prevailing wage increases raise wages for all workers in the affected industries. Montana's unions were also instrumental in the passage of Raise Montana, an initiative that increased the minimum wage rate for 25,000 citizens. This effort was supported by more than 70% of the voting public and recognized by many as critical to our economy. Montana labor unions and their members believe that no working family deserves to live in poverty. This Right to Work bill aims to weaken the movement that dedicates itself to these causes.

Montana has epidemic levels of uninsured adults and children. Only 54% of Montana workers have health insurance through their employer and only 52% of

Jacquie Helt
President
UNITE HERE! 427,
Missoula

Brad Shorey
Vice President
United Steel Workers 1,
Columbus

Frank Miller
District 1
MEA-MFT 8024, Kalispell

Dan Lee
District 2
United Steel Workers 8-0885,
Missoula

John Forkan
District 3
United Association of
Plumbers and Fitters 41,
Butte

Bob Bergren
District 4
International
Association of Fire
Fighters 601, Havre

Warren Smeltzer
District 5
Laborers International Union
of North America 1686,
Helena

Rion Miles
District 6
International Union of
Operating Engineers 400,
Billings

Tom Curry
At-Large Board Member
International Brotherhood
of Electrical Workers 532,
Billings

Jerry Driscoll
President Emeritus
Laborers International Union
of North America 1686,
Billings



Printed on union-made paper



MONTANA STATE AFL-CIO

406-442-1708 • 888-338-6466

Fax • 449-3324

January 26, 2007

Testimony of Jim McGarvey, Executive Secretary, Montana State AFL-CIO In Opposition to SB 250 Senate Business, Labor and Economic Affairs Committee

Madame Chair, Members of the Committee; my name is Jim McGarvey, and I am the Executive Secretary of the Montana State AFL-CIO. My testimony today is on behalf of more than 40,000 Montana union members and their families.

We oppose this deceptive bill. The Right to Work bill doesn't provide any employee in Montana with any new "rights". It offers no guarantees of a job. What it does do is try to hobble employees who want, and are working hard for a higher standard of living by weakening their labor unions. This bill also threatens to weaken Montana's economy by limiting the ability of Montana's working families to achieve a middle-class income or even rise above the poverty level.

Any effort to weaken Montana's labor movement is an effort to weaken Montana's economy and the rights of union members. Labor unions have a lot of successes to boast.

Union workers make more money. Workers who are represented by unions make significantly more money on average than non-union workers. In addition, union women are far more likely to receive equal pay for the same work as men than non-union women. Because of the higher pay, union members are more likely to hold only one job, giving them more time to raise their families and have a greater quality of life.

While the Montana union labor movement has the greatest ability to improve the wages of its own members through collective bargaining, we believe all workers deserve fair wages. Some of our efforts that raise the standard for our members that reverberate beyond our membership include creating the concept of prevailing wages and being the driving force behind maintaining the level of those wages. Prevailing wage increases raise wages for all workers in the affected industries. Montana's unions were also instrumental in the passage of Raise Montana, an initiative that increased the minimum wage rate for 25,000 citizens. This effort was supported by more than 70% of the voting public and recognized by many as critical to our economy. Montana labor unions and their members believe that no working family deserves to live in poverty. This Right to Work bill aims to weaken the movement that dedicates itself to these causes.

Montana has epidemic levels of uninsured adults and children. Only 54% of Montana workers have health insurance through their employer and only 52% of

Jim McGarvey
Executive Secretary
MEA-MFT 8024, Helena

Jacquie Helt
President
UNITE HERE! 427,
Missoula

Brad Shorey
Vice President
United Steel Workers 1,
Columbus

Frank Miller
District 1
MEA-MFT 8024, Kalispell

Dan Lee
District 2
United Steel Workers 8-0885,
Missoula

John Forkan
District 3
United Association of
Plumbers and Fitters 41,
Butte

Bob Bergren
District 4
International
Association of Fire
Fighters 601, Havre

Warren Smeltzer
District 5
Laborers International Union
of North America 1686,
Helena

Rion Miles
District 6
International Union of
Operating Engineers 400,
Billings

Tom Curry
At-Large Board Member
International Brotherhood
of Electrical Workers 532,
Billings

Jerry Driscoll
President Emeritus
Laborers International Union
of North America 1686,
Billings

Montana's children are covered by employer plans. Fifteen percent of Montana's children are completely uninsured.

Union workers are more likely to have healthcare coverage. Workers with healthcare coverage are better able to pay their bills and less likely to need assistance programs to meet their debts. Workers with healthcare coverage are also better able to afford prescription drugs and are less likely to need assistance programs and government-funded discount programs. U.S. Economist David Bloom, Phd., said, "...healthy, active workers are essential in a nation's economic strength." In his words, "Healthier means wealthier". Data from the U.S. Centers for Disease Control shows that in 2004 American businesses lost \$16.9 billion for lost worker productivity due to illness. Workers that have health insurance maintain better health than those that don't. Only 49% of non-union workers are participating in medical care benefit programs compared to 80% of union workers. Organizations working to achieve higher standards of healthcare for Montana citizens should be encouraged, not crippled by state laws.

In Montana, only 47 percent of non-union workers have retirement plans, compared with 80 percent of union workers. As elderly adults, these union members will be more financially secure than their non-union counterparts. The majority of non-union workers who do have a retirement have defined contribution plans, which do not guarantee benefit amounts. Most union workers have defined benefit plans with guaranteed benefit amounts. The result is that not only do more union workers have retirement plans, but those plans are more secure and allow union workers to better finance their own retirements without needing help to make ends meet.

Union workers enjoy greater safety on the job than do non-union workers. Most unions conduct training for their members in their field of work. Our trade unions run several year-round training facilities where union members can learn the safest way to accomplish their work. Those sites provide comprehensive OSHA training and certifications so workers can work safely, recognize hazards, and remedy the danger before injuries and deaths occur. Many of the classes offered at these facilities are free to union members. Non-union workers have few opportunities to learn work safety measures. Where those opportunities do exist, they cost the worker more than union safety programs. The improved workplace safety provided by training reduces lost work time, medical bills, worker disability, worksite deaths, etc.

Greater job safety is good for business because it reduces Workers Compensation rates. Due to reduced lost work time, greater job safety is conducive to greater productivity. A study conducted in 1992 showed that Union workers are more productive. In some industries they are proven to be up to 38% more productive. A further study conducted by Kathryn Shaw that was published in the Stanford Business Magazine in November of 2004 found that five of the seven elements that exist in the most productive workplaces are elements found in the union contract. The remaining two elements were a matter of management design. When Montana business can produce more products, they can produce more profit, benefiting the company and the economy.

Current Montana labor laws are working. Employees who choose not to be represented by a union in their workplace may refuse to join under the auspices of political or religious beliefs. Under Agency Shop Agreements workers can opt to pay only representation fees which help cover the costs of negotiating the benefits and wages they receive along with grievance handling and other costs of representation, but not costs that are put toward other union activities the worker may not support. Current law protects those who want no representation, and it protects those who do want representation.

The National Labor Relations Act requires the union to represent all workers where a union contract is present, and under this bill the union would have to represent them without charging any fees. This requirement binds the union to provide representation even in court proceedings. Clearly, if a union is required to represent those who do not financially support the organization, the union is weakened substantially.

Montana workers who choose union representation have a right to representation that is unencumbered by duties to workers who don't pay their fair share. This law requires union members to pay for the representation of non-union workers at their worksites.

For over 50 years the National Right to Work Foundation, the source of this bill, has been trying to weaken the rights of working people to meet their employer at the table and bargain collectively. The supporters of this organization are the same people who were against social security when it was enacted. They were against workplace health insurance programs. They have opposed any progressive legislation that would improve the lives of working men and women. They are funded by Corporate America to pass legislation that will increase their profit margins and they use tactics like producing a brochure to teach workers how to use religion to avoid paying your union dues. Not because you believe in God, but because you believe in weakening unions thereby increasing the money flow to top corporate officers. This bill has been voted down more times than I can remember. In more than fifty years they have never been successful in passing this legislation here. Montanans have long understood that our state is too good to fall to this deceitfulness and greed.

To say you are in favor of weakening unions is to say you are against a better economy where Montana families can achieve a middle-class income and escape poverty. To say you are in favor of weakening unions is to say you are against fair and just treatment on the job. To say you are in favor of weakening unions is to say you are against safety on the job and the reduction of workplace injuries and deaths. To say you are in favor of weakening unions is to say that you are willing to weaken the rights of those Montana citizens who choose to be union.

We have laws that are working for all workers right now. I urge you to preserve the integrity of the unions that represent more than 40,000 members and their families. I urge you to vote in favor of a better economy and in favor of stronger families and a better quality of life in Montana. Please vote no on SB250. Thank you.